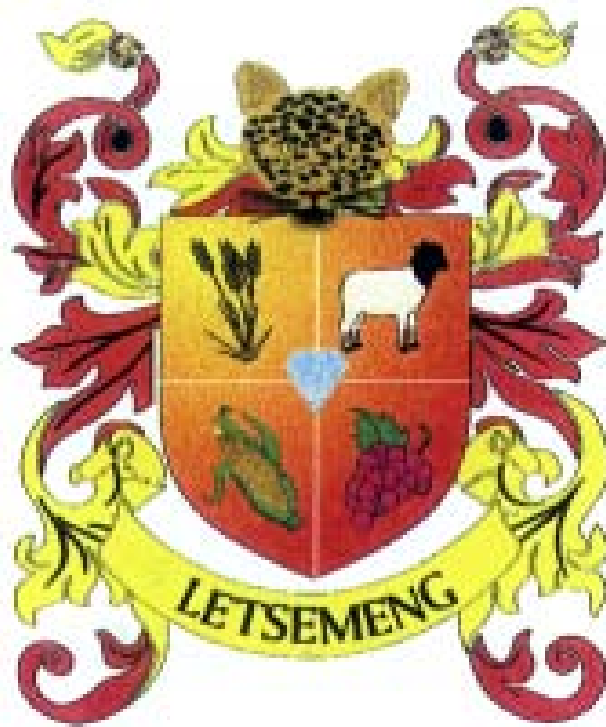


# Letsemeng Local Municipality



## **MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2015-16**

# **TABLE OF CONTENTS**

## **PART 1**

- 1.1. Mayor's report
- 1.2. Resolutions
- 1.3. Executive summary
- 1.4. Annual budget tables

## **PART 2**

- 2.1. Budget process
- 2.2. Alignment of the annual budget with the integrated development plan
- 2.3. Measurable performance objectives
- 2.4. Overview of the budget-related policies
- 2.5. Overview of the budget assumptions
- 2.6. Overview of the budget funding
- 2.7. Expenditure on allocations and grant programmes
- 2.8. Councillor and board members allowances and employee benefits
- 2.9. Monthly targets of revenue, expenditure and cash flow
- 2.10. Annual budgets and service delivery and budget implementation plan: internal departments
- 2.11. Annual budgets and service delivery agreements: municipal entities and other external mechanisms

2.12. Contracts having future budgetary implications

2.13. Capital expenditure details

2.14. Legislation compliance

2.15. Other supporting documents

2.16. Municipal Manager's quality certificate

## **Annexures**

Tariff list

## **PART 1**

### **1.1. MAYOR'S REPORT**

Our single biggest concern remains the provision of basic housing and allied services to the poorest of our communities, however we are persistence in this matter will yield results very shortly. The year under review has been a challenging one, and in presenting this report, we acknowledge progress made during the 2014/2015 financial year as well as the challenges that lie ahead.

We also mentioned that job creation, poverty alleviation remain our priority as a local municipality and that the implementation of Expanded Public Works Programme must take a centre stage on all projects that we implement in various communities or wards. In that regard, we said monitoring and control on all projects must be energetically pursued with an aim of ensuring compliance with the provisions of the EPWP programme in order to create job opportunities and alleviate poverty while at the same time dealing with skills shortages and skills transfer so as to allow people to be skilled and be able to use those skills for the betterment of their lives.

It was brought to your attention that financial viability remains a challenge not only for the municipality but a global agony and it was in this regard and still is that we urge prudent spending on the entire municipality's programmes which is informed by sound financial planning and costs saving measures to avoid wasting municipalities' scarce resources.

We also emphasised the fact that as a municipality we need to remain focused on the effective and efficient delivery of core municipal services. Because municipal budgeting is profoundly about choices that the municipality has to make between competing priorities and fiscal realities, the application of sound financial management principles becomes even more critical in ensuring that the municipality remains financially viable, and that sustainable, reliable municipal services are provided to all.

In line with the plan, we must provide basic services that enable people to develop capabilities to take advantage of opportunities around the Municipality, enabling them to contribute to their communities through remittances and skills transfer.

By its very nature, medium term revenue expenditure framework revises the approved annual budget by budgeting for revenue and expenditure estimates and if there's material under-collection of revenue during the current year and may appropriate additional revenues that have become available over and above those anticipated in the annual budget in order to accelerate spending programmes already budgeted for. It also authorise unforeseeable and unavoidable expenditure recommended by the Council (Mayor) of the municipality and authorise the utilisation of projected savings in one vote towards spending under another vote.

I would like to express my sincere gratitude to all Councillors, officials, the communities of Letsemeng Local Municipality and stakeholders for their dedication, support and co-operation, which enabled the institution to record service delivery progress during the year under review.

The Mayor's report (formerly Mayor's budget speech) will be presented by the Mayor to Council during the final tabling of budget.

## **1.2. RESOLUTIONS**

1. Council hereby resolve that the annual budget of the municipality for the financial year 2015-16; and indicative budget for the two outer years 2016-17 and 2017-18 be approved as set-out in:
  - a) Table A1: Budgeted Summary
  - b) Table A2: Budget Financial Performance (Revenue & Expenditure by standard classification)
  - c) Table A3: Budget Financial Performance (Revenue & Expenditure by municipal vote)
  - d) Table A4: Budget Financial Performance (Revenue & Expenditure)
  - e) Table A5: Budgeted Capital Expenditure by vote, standard classification and funding

- f) Table A6: Budget Financial Position
  - g) Table A7: Budget Cash Flow
  - h) Table A8: Cash backed reserves / accumulated surplus reconciliation
  - i) Table A9: Asset Management
  - j) Table A10: Basic Service Delivery Measurement
2. that property rates tariff and tariffs for other services charges as reflected in the formal tariff list be approved for consultation processes;
  3. Council hereby resolve that the community and the relevant stakeholders be consulted on the presented Budget 15-16.
  4. Council hereby resolve the Accounting Officer advertise and make available copies of the draft IDP; tabled budget and draft policies and that they are submitted to the relevant stakeholders.

### **1.3. EXECUTIVE SUMMARY**

This section provides an overview of the Letsemeng Local Municipality's 2015-16 to 2017-18 Medium Term Revenue and Expenditure Framework. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of municipality.

The Municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and district government. In essence, the spheres of Government are partners in meeting the service delivery challenges faced by Letsemeng Local Municipality. The municipality alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources, both financial and non-financial as well as the achievement of their own policies.

Therefore the municipality's resources have been allocated taking into consideration the priorities as set out during the State of the Nation Address (SOPA), State of the Provincial Address as well as other guidelines as issued by other spheres of government. Despite this, the BTO experienced some challenges during the compilation of the 2015-16 MTREF which can be summarised as follows:

- (a) The on-going difficulties in the national and local economy and limited economic activities and social situation within Letsemeng municipality;
- (b) Ageing and poorly maintained infrastructure with no capital maintenance plans to appropriately allocate resources towards maintenance;
- (c) The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality due to low revenue collection rates;

- (d) The increased cost of bulk water and electricity (due to tariff increases from Oranje Reit / Kalkfontein Dam and Eskom), which is placing an upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable as there will be a point where services will no-longer be affordable to the majority of the residents of Letsemeng Municipality (thereby increasing consumer debtors of the municipality);
- (e) The need to develop tariffs that are cost reflective of providing such services;
- (f) The completion of A schedule as prescribed by National Treasury especially consolidating information of supplying free basic services and population dynamics.
- (g) Absorption of 78 permanent employees who were previously on contract or casuals and that is having a major impact on the budget especially employees remuneration and benefits.
- (h) The need to meet the community expectations in terms of service delivery with the limited financial resources at hand.

The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:

- (a) Budgeting for a funded and credible annual budget compared to a balanced budgeted;
- (b) The 2014-15 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014-15 annual budget;
- (c) Tariffs on services and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, also as per guideline of Circular 74 and 75 except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity;
- (d) There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

Total operating revenue has increased from **R118 322 000 to R132 927 000 (R14 605 000)** for the 2015-16 financial year when compared to the 2014-15 Adjustment Budget.

Total operating expenditure has increased from **R124 333 000 to R132 637 000 (R8 304 000)** for the 2015-16 financial year when compared to the 2014-15 Adjustment Budget. Total operating expenditure for the 2015-16 financial year has

been appropriated at **R132 637 000** and translates into a budgeted surplus of **(R290 000)** As per requirement from National treasury we are expected to budget for non-cash items i.e. Debt Impairment **R5 678 000** and Depreciation and Asset Impairment of **R19 000 000**.

#### **1.4. ANNUAL BUDGET TABLES**

Below are the annual tables as per the requirements of Municipal Budget and Reporting Regulations:

- a) Table A1: Budgeted Summary
- b) Table A2: Budget Financial Performance (revenue & expenditure by standard  
1. classification)
- c) Table A3: Budget Financial Performance (revenue & expenditure by municipal  
vote)
- d) Table A4: Budget Financial Performance (revenue & expenditure)
- e) Table A5: Budgeted Capital Expenditure by vote, standard classification and  
funding
- f) Table A6: Budget Financial Position
- g) Table A7: Budget Cash Flow
- h) Table A8: Cash backed reserves / accumulated surplus reconciliation
- i) Table A9: Asset Management
- j) Table A10: Basic Service Delivery Measurement



FS161 Letsemeng - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	5,350	7,295	9,321	7,157	12,954	12,954	-	15,946	16,823	17,714
Service charges	24,542	46,571	37,544	46,420	46,420	46,420	-	49,324	52,037	54,795
Investment revenue	3,001	3,429	-	3,500	3,500	3,500	-	3,710	3,693	3,686
Transfers recognised - operational	48,782	54,673	-	53,929	53,929	53,929	-	53,514	49,517	46,712
Other own revenue	1,110	1,341	440	1,519	1,519	1,519	-	10,433	9,454	8,545
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>82,786</b>	<b>113,308</b>	<b>47,306</b>	<b>112,525</b>	<b>118,322</b>	<b>118,322</b>	<b>-</b>	<b>132,927</b>	<b>131,523</b>	<b>131,452</b>
Employee costs	25,382	25,459	26,989	37,975	36,478	36,478	-	40,667	42,904	45,178
Remuneration of councillors	2,425	2,798	3,096	3,700	3,519	3,519	-	3,265	3,445	3,628
Depreciation & asset impairment	21,930	19,977	19,167	11,700	19,167	19,167	-	19,000	20,045	21,107
Finance charges	4,383	3,703	575	125	60	60	-	-	-	-
Materials and bulk purchases	17,097	19,953	22,792	24,109	24,109	24,109	-	27,982	29,521	31,086
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	32,926	48,904	58,436	58,501	41,000	41,000	-	41,722	37,259	41,685
<b>Total Expenditure</b>	<b>104,142</b>	<b>120,794</b>	<b>131,055</b>	<b>136,111</b>	<b>124,333</b>	<b>124,333</b>	<b>-</b>	<b>132,637</b>	<b>133,174</b>	<b>142,684</b>
<b>Surplus/(Deficit)</b>	<b>(21,357)</b>	<b>(7,486)</b>	<b>(83,749)</b>	<b>(23,586)</b>	<b>(6,011)</b>	<b>(6,011)</b>	<b>-</b>	<b>290</b>	<b>(1,651)</b>	<b>(11,233)</b>
Transfers recognised - capital	22,733	23,167	36,171	35,889	28,700	28,700	-	62,497	108,866	169,502
Contributions recognised - capital & contributed a	-	-	-	7,039	3,754	3,754	-	66,807	112,229	182,803
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>1,376</b>	<b>15,681</b>	<b>(47,578)</b>	<b>19,341</b>	<b>26,443</b>	<b>26,443</b>	<b>-</b>	<b>129,594</b>	<b>219,444</b>	<b>341,072</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1,376</b>	<b>15,681</b>	<b>(47,578)</b>	<b>19,341</b>	<b>26,443</b>	<b>26,443</b>	<b>-</b>	<b>129,594</b>	<b>219,444</b>	<b>341,072</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>0</b>	<b>417</b>	<b>649</b>	<b>43,034</b>	<b>32,454</b>	<b>32,454</b>	<b>-</b>	<b>66,807</b>	<b>112,229</b>	<b>182,803</b>
Transfers recognised - capital	24,216	23,167	20,972	35,889	28,700	28,700	-	62,497	108,866	169,502
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	283	649	1,581	7,145	3,754	3,754	-	4,310	3,363	13,301
<b>Total sources of capital funds</b>	<b>24,499</b>	<b>23,816</b>	<b>22,553</b>	<b>43,034</b>	<b>32,454</b>	<b>32,454</b>	<b>-</b>	<b>66,807</b>	<b>112,229</b>	<b>182,803</b>
<b>Financial position</b>										
Total current assets	42,163	37,202	12,292	25,434	29,515	29,515	-	19,001	20,035	21,095
Total non current assets	626,159	624,634	613,181	378,085	631,781	631,781	-	632,331	657,920	690,878
Total current liabilities	25,014	12,307	24,147	18,105	24,682	24,682	-	11,627	12,266	12,916
Total non current liabilities	41,336	13,671	13,054	40,813	13,054	13,054	-	8,096	8,541	8,994
Community wealth/Equity	611,319	616,468	623,561	608,576	623,561	623,561	-	660,975	697,328	734,287
<b>Cash flows</b>										
Net cash from (used) operating	2,048	(12,213)	34,115	(13,949)	243,058	243,921	-	70,069	116,855	177,914
Net cash from (used) investing	(22,250)	-	(20,909)	45,161	11,545	(20,909)	-	(66,607)	(113,049)	(173,907)
Net cash from (used) financing	-	-	(148)	-	-	-	-	(713)	-	-
<b>Cash/cash equivalents at the year end</b>	<b>(14,252)</b>	<b>8,439</b>	<b>15,033</b>	<b>73,212</b>	<b>510,069</b>	<b>478,478</b>	<b>-</b>	<b>18,649</b>	<b>22,455</b>	<b>26,462</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	22,477	19,479	-	22,825	33,442	33,442	-	35,449	37,398	39,380
Application of cash and investments	(45,475)	(13,302)	13,860	13,596	10,837	10,637	-	8,277	8,699	9,122
<b>Balance - surplus (shortfall)</b>	<b>67,952</b>	<b>32,781</b>	<b>(13,860)</b>	<b>9,229</b>	<b>22,605</b>	<b>22,805</b>	<b>-</b>	<b>27,172</b>	<b>28,700</b>	<b>30,258</b>
<b>Asset management</b>										
Asset register summary (WDV)	0	417	649	43,282	32,629	32,629	66,607	66,607	113,049	173,907
Depreciation & asset impairment	21,930	19,977	19,167	11,700	19,167	19,167	19,000	19,000	20,045	21,107
Renewal of Existing Assets	0	417	649	43,034	32,455	32,455	32,455	66,607	113,049	173,907
Repairs and Maintenance	4,763	2,998	4,393	14,287	4,081	4,081	5,801	5,801	6,067	6,389
<b>Free services</b>										
Cost of Free Basic Services provided	20,436	20,436	20,436	20,436	20,436	20,436	21,741	21,741	31,274	48,475
Revenue cost of free services provided	99,160	99,160	99,160	99,160	99,160	99,160	295,643	295,643	452,345	701,134
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	0	0	0	0	0	0	0	0	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	2	2	2	2	2	2	2	2	1	-

FS161 Letsemeng - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		20,784	21,270	59,173	19,963	71,368	71,368	82,447	80,822	79,437
Executive and council		2,408	3,947	2,941	2,780	8	8	8	8	9
Budget and treasury office		17,419	15,855	32,155	16,273	71,010	71,010	82,090	80,446	79,041
Corporate services		957	1,467	24,078	910	351	351	348	368	387
<i>Community and public safety</i>		2,050	2,327	2,323	3,076	195	195	233	245	258
Community and social services		667	734	729	1,339	77	77	108	114	120
Sport and recreation		550	842	765	793	34	34	36	38	40
Public safety		764	684	760	759	-	-	-	-	-
Housing		68	67	69	185	84	84	88	93	98
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		97	59	74	1,186	131	131	1,091	96	101
Planning and development		-	-	-	954	-	-	1,000	-	-
Road transport		97	59	74	232	131	131	91	96	101
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		66,347	67,636	72,765	88,301	46,628	46,628	49,156	50,359	51,655
Electricity		27,242	30,082	31,000	38,837	23,706	23,706	25,128	25,009	24,962
Water		16,935	14,772	17,000	17,516	8,175	8,175	8,706	9,185	9,672
Waste water management		11,178	12,010	13,000	16,475	7,369	7,369	7,780	8,208	8,643
Waste management		10,992	10,772	11,765	15,472	7,378	7,378	7,542	7,957	8,378
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>2</b>	<b>89,279</b>	<b>91,291</b>	<b>134,335</b>	<b>112,525</b>	<b>118,322</b>	<b>118,322</b>	<b>132,926</b>	<b>131,522</b>	<b>131,452</b>
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		48,555	52,950	51,299	85,987	82,004	82,004	86,326	84,562	91,511
Executive and council		4,878	8,980	12,482	7,813	8,273	8,273	9,748	10,007	10,224
Budget and treasury office		36,641	36,392	31,271	30,036	33,042	33,042	30,608	31,138	32,792
Corporate services		7,036	7,577	7,546	48,137	40,690	40,690	45,970	43,417	48,495
<i>Community and public safety</i>		2,401	3,434	17,887	1,619	956	956	2,468	2,604	2,742
Community and social services		2,292	2,763	17,800	1,528	864	864	2,276	2,402	2,529
Sport and recreation		81	79	82	82	82	82	181	191	201
Public safety		0	529	-	-	-	-	-	-	-
Housing		-	4	5	9	10	10	11	11	12
Health		28	58	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9,532	9,494	9,600	6,916	5,684	5,684	4,568	4,789	5,053
Planning and development		1,794	2,093	2,100	2,900	2,900	2,900	2,315	2,412	2,550
Road transport		7,738	7,401	7,500	4,016	2,784	2,784	2,253	2,377	2,503
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		31,510	36,486	36,000	41,589	35,689	35,689	39,274	41,219	43,377
Electricity		17,447	19,170	20,000	24,570	22,996	22,996	25,444	26,791	28,211
Water		9,715	10,852	11,000	11,343	9,391	9,391	10,816	11,276	11,874
Waste water management		1,794	3,976	2,500	4,157	1,779	1,779	1,769	1,839	1,910
Waste management		2,555	2,488	2,500	1,519	1,524	1,524	1,245	1,313	1,383
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>91,998</b>	<b>102,364</b>	<b>114,786</b>	<b>136,111</b>	<b>124,333</b>	<b>124,333</b>	<b>132,636</b>	<b>133,174</b>	<b>142,684</b>
<b>Surplus/(Deficit) for the year</b>		<b>(2,719)</b>	<b>(11,073)</b>	<b>19,550</b>	<b>(23,585)</b>	<b>(6,011)</b>	<b>(6,011)</b>	<b>290</b>	<b>(1,652)</b>	<b>(11,232)</b>

FS161 Letsemeng - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2015/16	+1 2016/17	+2 2017/18
R thousand										
Revenue by Vote	1									
Vote 1 - Budget and Treasury Office		17,419	15,855	32,155	17,125	71,010	71,010	82,090	80,446	79,041
Vote 2 - Corporate Service Management		957	1,467	24,034	910	351	351	348	368	387
Vote 3 - Community Services		1,286	1,643	-	2,317	195	195	749	790	832
Vote 4 - Technical Department		67,209	68,379	-	89,292	46,759	46,759	49,247	50,455	51,756
Vote 5 - Municipal Manager		411	916	-	1,912	-	-	1,000	-	-
Vote 6 - Council		1,997	3,032	-	868	8	8	8	8	9
Vote 7 - Environmental Health		-	-	-	101	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	89,279	91,291	56,188	112,525	118,322	118,322	133,442	132,067	132,025
Expenditure by Vote to be appropriated	1									
Vote 1 - Budget and Treasury Office		36,641	36,392	31,271	30,036	33,042	33,042	30,608	31,138	32,792
Vote 2 - Corporate Service Management		7,036	7,577	7,546	48,137	40,690	40,690	45,970	43,417	48,495
Vote 3 - Community Services		2,373	2,847	-	1,619	956	956	2,468	2,604	2,742
Vote 4 - Technical Department		39,249	44,416	-	45,605	38,473	38,473	41,527	43,596	45,880
Vote 5 - Municipal Manager		1,794	5,397	5,422	6,674	6,827	6,827	4,819	4,925	5,059
Vote 6 - Council		4,878	5,676	-	4,039	4,346	4,346	7,244	7,493	7,715
Vote 7 - Environmental Health		28	58	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	91,998	102,364	44,239	136,111	124,333	124,333	132,636	133,174	142,684
Surplus/(Deficit) for the year	2	(2,719)	(11,073)	11,949	(23,586)	(6,011)	(6,011)	807	(1,107)	(10,658)

FS161 Letsemeng - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Revenue By Source											
Property rates	2	5,350	7,295	9,321	7,157	12,954	12,954	–	15,946	16,823	17,714
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	14,516	14,038	14,671	23,502	23,502	23,502	–	25,591	26,999	28,430
Service charges - water revenue	2	5,302	4,467	7,396	8,173	8,173	8,173	–	8,413	8,875	9,346
Service charges - sanitation revenue	2	2,466	25,730	7,722	7,369	7,369	7,369	–	7,780	8,208	8,643
Service charges - refuse revenue	2	2,258	2,336	7,756	7,376	7,376	7,376	–	7,540	7,955	8,376
Service charges - other											
Rental of facilities and equipment		276	289	268	432	432	432		994	1,049	1,104
Interest earned - external investments		3,001	3,429		3,500	3,500	3,500		3,710	3,693	3,686
Interest earned - outstanding debtors		–	6						–	–	–
Dividends received		5	11		27	27	27		5	5	6
Fines		80	56		95	95	95		53	56	59
Licences and permits		3	1		6	6	6		6	7	7
Agency services		–	–		–	–	–		–	–	–
Transfers recognised - operational		48,782	54,673		53,929	53,929	53,929		53,514	49,517	46,712
Other revenue	2	746	979	172	959	959	959	–	9,375	8,338	7,370
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		82,786	113,308	47,306	112,525	118,322	118,322	–	132,927	131,523	131,452
Expenditure By Type											
Employee related costs	2	25,382	25,459	26,989	37,975	36,478	36,478	–	40,667	42,904	45,178
Remuneration of councillors		2,425	2,798	3,096	3,700	3,519	3,519		3,265	3,445	3,628
Debt impairment	3	–	–	5,433	2,915	2,469	2,469		5,678	5,990	6,307
Depreciation & asset impairment	2	21,930	19,977	19,167	11,700	19,167	19,167	–	19,000	20,045	21,107
Finance charges		4,383	3,703	575	125	60	60		–	–	–
Bulk purchases	2	17,097	19,953	22,792	24,109	24,109	24,109	–	27,982	29,521	31,086
Other materials	8										
Contracted services		–	453	–	2,878	2,867	2,867	–	1,000	1,000	1,000
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	32,926	48,451	53,002	52,708	35,663	35,663	–	35,044	30,269	34,378
Loss on disposal of PPE											
Total Expenditure		104,142	120,794	131,055	136,111	124,333	124,333	–	132,637	133,174	142,684
Surplus/(Deficit)		(21,357)	(7,486)	(83,749)	(23,586)	(6,011)	(6,011)	–	290	(1,651)	(11,233)
Transfers recognised - capital		22,733	23,167	36,171	35,889	28,700	28,700		62,497	108,866	169,502
Contributions recognised - capital	6	–	–	–	7,039	3,754	3,754	–	66,807	112,229	182,803
Contributed assets									–	–	–
Surplus/(Deficit) after capital transfers & contributions		1,376	15,681	(47,578)	19,341	26,443	26,443	–	129,594	219,444	341,072
Taxation											
Surplus/(Deficit) after taxation		1,376	15,681	(47,578)	19,341	26,443	26,443	–	129,594	219,444	341,072
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		1,376	15,681	(47,578)	19,341	26,443	26,443	–	129,594	219,444	341,072
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		1,376	15,681	(47,578)	19,341	26,443	26,443	–	129,594	219,444	341,072

FS161 Letsemeng - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Service Management		-	-	-	-	-	-	-	-	-	-
Vote 3 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Department		-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 6 - Council		-	-	-	-	-	-	-	-	-	-
Vote 7 - Environmental Health		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Budget and Treasury Office		-	28	5	253	253	253	-	168	177	187
Vote 2 - Corporate Service Management		-	20	11	44	44	44	-	247	260	274
Vote 3 - Community Services		-	3	0	3,045	4,058	4,058	-	3,102	2,846	9,984
Vote 4 - Technical Department		0	326	615	39,259	27,816	27,816	-	62,945	108,581	171,983
Vote 5 - Municipal Manager		-	-	9	162	162	162	-	295	312	320
Vote 6 - Council		-	40	8	271	121	121	-	50	53	56
Vote 7 - Environmental Health		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		0	417	649	43,034	32,454	32,454	-	66,807	112,229	182,803
<b>Total Capital Expenditure - Vote</b>		0	417	649	43,034	32,454	32,454	-	66,807	112,229	182,803
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		-	88	34	730	563	563	-	610	644	669
Executive and council		-	40	18	433	266	266	-	195	206	209
Budget and treasury office		-	28	5	253	253	253	-	168	177	187
Corporate services		-	20	11	44	44	44	-	247	260	274
<b>Community and public safety</b>		-	3	0	3,045	4,058	4,058	-	3,102	2,846	9,984
Community and social services		-	3	0	3,045	4,058	4,058	-	692	2,846	9,984
Sport and recreation		-	-	-	-	-	-	-	2,410	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	16	20	5,826	6,331	6,331	-	200	5,251	1,344
Planning and development		-	-	-	-	17	17	-	150	158	167
Road transport		-	16	20	5,826	6,315	6,315	-	50	5,093	1,177
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		0	310	596	32,639	21,501	21,501	-	62,047	103,488	170,806
Electricity		-	87	97	3,554	1,867	1,867	-	5,432	1,814	11,385
Water		0	151	134	20,117	11,642	11,642	-	600	633	667
Waste water management		-	71	365	6,964	6,606	6,606	-	53,461	92,305	157,581
Waste management		-	-	-	2,003	1,387	1,387	-	2,553	8,736	1,173
<b>Other</b>		-	-	-	794	-	-	-	849	-	-
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	0	417	649	43,034	32,454	32,454	-	66,807	112,229	182,803
<b>Funded by:</b>											
National Government		24,216	22,090	20,972	35,889	28,700	28,700	-	62,497	108,866	169,502
Provincial Government		-	1,077	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	24,216	23,167	20,972	35,889	28,700	28,700	-	62,497	108,866	169,502
<b>Public contributions &amp; donations</b>	<b>5</b>	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	<b>6</b>	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		283	649	1,581	7,145	3,754	3,754	-	4,310	3,363	13,301
<b>Total Capital Funding</b>	<b>7</b>	24,499	23,816	22,553	43,034	32,454	32,454	-	66,807	112,229	182,803

FS161 Letsemeng - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Current assets											
Cash		20,652	17,627		21,000	15,033	15,033		15,935	16,811	17,702
Call investment deposits	1	1,825	1,851	–	1,825	–	–	–	–	–	–
Consumer debtors	1	2,764	3,147	12,292	(14,961)	12,292	12,292	–	745	775	813
Other debtors		16,923	14,576		14,000	1,817	1,817		1,926	2,032	2,140
Current portion of long-term receivables					1,570	–	–		–	–	–
Inventory	2				2,000	373	373		396	417	439
Total current assets		42,163	37,202	12,292	25,434	29,515	29,515	–	19,001	20,035	21,095
Non current assets											
Long-term receivables		–	–	–	–	–	–				
Investments		–	–	–	–	18,409	18,409		19,514	20,587	21,678
Investment property		–	–	–	–	–	–				
Investment in Associate		–	–	–	–	–	–				
Property, plant and equipment	3	626,159	624,634	613,181	377,837	613,181	613,181	–	612,614	637,119	668,975
Agricultural		–	–	–	–	–	–				
Biological		–	–	–	–	–	–				
Intangible		–	–	–	248	191	191		202	214	225
Other non-current assets		–	–	–	–	–	–				
Total non current assets		626,159	624,634	613,181	378,085	631,781	631,781	–	632,331	657,920	690,878
TOTAL ASSETS		668,323	661,836	625,473	403,520	661,297	661,297	–	651,332	677,955	711,973
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	–	–	–	33	–	–	–	–	–	–
Consumer deposits		590	615	745	670	745	745		790	833	877
Trade and other payables	4	20,618	11,692	23,402	13,596	23,402	23,402	–	10,270	10,835	11,409
Provisions		3,806			3,806	535	535		567	599	630
Total current liabilities		25,014	12,307	24,147	18,105	24,682	24,682	–	11,627	12,266	12,916
Non current liabilities											
Borrowing		262	–	–	105	–	–	–	–	–	–
Provisions		41,073	13,671	13,054	40,708	13,054	13,054		8,096	8,541	8,994
Total non current liabilities		41,336	13,671	13,054	40,813	13,054	13,054	–	8,096	8,541	8,994
TOTAL LIABILITIES		66,350	25,978	37,200	58,918	37,736	37,736	–	19,723	20,807	21,910
NET ASSETS	5	601,973	635,858	588,273	344,601	623,561	623,561	–	631,610	657,148	690,063
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		611,194	616,468	623,561	608,576	623,561	623,561		660,975	697,328	734,287
Reserves	4	125	–	–	–	–	–	–	–	–	–
Minorities' interests		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	611,319	616,468	623,561	608,576	623,561	623,561	–	660,975	697,328	734,287

FS161 Letsemeng - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		31,069		5,701	–	54,206	55,069		13,554	14,299	15,057
Service charges		48,782	54,673	27,686	–	–	–		32,609	34,402	36,225
Other revenue		24,216	23,167	3,336	–	–	–		10,324	10,892	11,469
Government - operating	1	3,001	3,427	65,420	53,929	53,929	53,929		53,514	56,457	59,450
Government - capital	1	5	11	24,725	35,889	28,700	28,700		62,497	108,866	169,502
Interest				3,718	1,436	3,500	3,500		2,968	3,131	3,297
Dividends				3	27	27	27		5	5	6
Payments											
Suppliers and employees		(100,643)	(89,731)	(95,899)	(105,158)	68,983	68,983		(105,401)	(111,198)	(117,092)
Finance charges		(4,383)	(3,760)	(575)	(72)	30,979	30,979		–	–	–
Transfers and Grants	1			–	–	2,734	2,734		–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		2,048	(12,213)	34,115	(13,949)	243,058	243,921	–	70,069	116,855	177,914
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	151	(20,196)	(20,196)		–	–	–
Decrease (Increase) in non-current debtors		–	–	–	(159)	–	–		–	–	–
Decrease (increase) other non-current receivables		–	–	–	(85)	–	–		–	–	–
Decrease (increase) in non-current investments		(22,250)		(20,909)	6,160	(713)	(713)		–	–	–
Payments											
Capital assets		–	–	–	39,094	32,454	–		(66,607)	(113,049)	(173,907)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(22,250)	–	(20,909)	45,161	11,545	(20,909)	–	(66,607)	(113,049)	(173,907)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–		–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–		–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–		(713)	–	–
Payments											
Repayment of borrowing		–	–	(148)	–	–	–		–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	(148)	–	–	–	–	(713)	–	–
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	5,950	20,652	1,974	42,000	255,466	255,466		15,900	18,649	22,455
Cash/cash equivalents at the year end:	2	(14,252)	8,439	15,033	73,212	510,069	478,478	–	18,649	22,455	26,462

FS161 Letsemeng - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(14,252)	8,439	15,033	73,212	510,069	478,478	–	18,649	22,455	26,462
Other current investments > 90 days		36,729	11,040	(15,033)	(50,387)	(495,036)	(463,445)	–	(2,714)	(5,644)	(8,760)
Non current assets - Investments	1	–	–	–	–	18,409	18,409	–	19,514	20,587	21,678
<b>Cash and Investments available:</b>		<b>22,477</b>	<b>19,479</b>	<b>–</b>	<b>22,825</b>	<b>33,442</b>	<b>33,442</b>	<b>–</b>	<b>35,449</b>	<b>37,398</b>	<b>39,380</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		2,572	1,879	13,713	–	13,713	13,713	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	(48,047)	(15,181)	147	13,596	(2,876)	(3,076)	–	8,277	8,699	9,122
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>(45,475)</b>	<b>(13,302)</b>	<b>13,860</b>	<b>13,596</b>	<b>10,837</b>	<b>10,637</b>	<b>–</b>	<b>8,277</b>	<b>8,699</b>	<b>9,122</b>
<b>Surplus(shortfall)</b>		<b>67,952</b>	<b>32,781</b>	<b>(13,860)</b>	<b>9,229</b>	<b>22,605</b>	<b>22,805</b>	<b>–</b>	<b>27,172</b>	<b>28,700</b>	<b>30,258</b>

FS161 Letsemeng - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	0	417	649	43,034	32,455	32,455	66,607	113,049	173,907
Infrastructure - Road transport		-	16	20	5,826	6,315	6,315	50	5,093	1,177
Infrastructure - Electricity		-	87	97	3,554	1,867	1,867	5,832	3,819	3,805
Infrastructure - Water		0	151	134	20,117	11,642	11,642	600	633	667
Infrastructure - Sanitation		-	71	365	6,964	6,606	6,606	53,461	89,601	154,681
Infrastructure - Other		-	-	-	2,797	1,387	1,387	3,302	8,397	1,062
Infrastructure		0	326	615	39,259	27,816	27,816	63,245	107,542	161,392
Community		-	3	0	3,045	4,075	4,075	2,805	2,781	9,654
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	88	34	730	563	563	557	2,726	2,862
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	16	20	5,826	6,315	6,315	50	5,093	1,177
Infrastructure - Road transport		-	16	20	5,826	6,315	6,315	50	5,093	1,177
Infrastructure - Electricity		-	87	97	3,554	1,867	1,867	5,832	3,819	3,805
Infrastructure - Water		0	151	134	20,117	11,642	11,642	600	633	667
Infrastructure - Sanitation		-	71	365	6,964	6,606	6,606	53,461	89,601	154,681
Infrastructure - Other		-	-	-	2,797	1,387	1,387	3,302	8,397	1,062
Infrastructure		0	326	615	39,259	27,816	27,816	63,245	107,542	161,392
Community		-	3	0	3,045	4,075	4,075	2,805	2,781	9,654
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	88	34	730	563	563	557	2,726	2,862
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	0	417	649	43,034	32,455	32,455	66,607	113,049	173,907
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		-	16	20	5,826	6,315	6,315	50	5,093	1,177
Infrastructure - Electricity		-	87	97	3,554	1,867	1,867	5,832	3,819	3,805
Infrastructure - Water		0	151	134	20,117	11,642	11,642	600	633	667
Infrastructure - Sanitation		-	71	365	6,964	6,606	6,606	53,461	89,601	154,681
Infrastructure - Other		-	-	-	2,797	1,387	1,387	3,302	8,397	1,062
Infrastructure		0	326	615	39,259	27,816	27,816	63,245	107,542	161,392
Community		-	3	0	3,045	4,058	4,058	2,602	2,567	9,429
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	88	34	730	563	563	557	2,726	2,862
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	248	191	191	202	214	225
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	0	417	649	43,282	32,629	32,629	66,607	113,049	173,907
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		21,930	19,977	19,167	11,700	19,167	19,167	19,000	20,045	21,107
Repairs and Maintenance by Asset Class	3	4,763	2,998	4,393	14,287	4,081	4,081	5,801	6,067	6,389
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	4,763	2,998	4,393	14,287	4,081	4,081	5,801	6,067	6,389
TOTAL EXPENDITURE OTHER ITEMS		26,693	22,975	23,560	25,987	23,248	23,248	24,801	26,112	27,496
Renewal of Existing Assets as % of total capex		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Renewal of Existing Assets as % of deprecn"		0.0%	2.1%	3.4%	367.8%	169.3%	169.3%	350.6%	564.0%	823.9%
R&M as a % of PPE		0.8%	0.5%	0.7%	3.8%	0.7%	0.7%	0.9%	1.0%	1.0%
Renewal and R&M as a % of PPE		7938433.0%	819.0%	777.0%	132.0%	112.0%	112.0%	109.0%	105.0%	104.0%



Description	2015	2012	2013	2014	Current Year 2015			2015 10 Year Long Term Forecast		
		Actual Outcome	Actual Outcome	Actual Outcome	Original Budget	Adjusted Budget	% Var	Budget Year 2015	Budget Year 2016	Budget Year 2017
<b>CAPITAL EXPENDITURE</b>										
<b>Total Capital Expenditure</b>	1	-	-	-	-	-	-	-	-	-
Construction - Transportation		-	-	-	-	-	-	-	-	-
Construction - Streets		-	-	-	-	-	-	-	-	-
Construction - Water		-	-	-	-	-	-	-	-	-
Construction - Sewer		-	-	-	-	-	-	-	-	-
Construction - Other		-	-	-	-	-	-	-	-	-
Equipment		-	-	-	-	-	-	-	-	-
Computer		-	-	-	-	-	-	-	-	-
Furniture		-	-	-	-	-	-	-	-	-
Information		-	-	-	-	-	-	-	-	-
Maintenance		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Signs and Signs		-	-	-	-	-	-	-	-	-
Sewer		-	-	-	-	-	-	-	-	-
Transport		-	-	-	-	-	-	-	-	-
<b>Total Forecast of Capital Expenditure</b>	2	0	0	0	0	0	0	0	0	0
Construction - Transportation		0	0	0	0	0	0	0	0	0
Construction - Streets		0	0	0	0	0	0	0	0	0
Construction - Water		0	0	0	0	0	0	0	0	0
Construction - Sewer		0	0	0	0	0	0	0	0	0
Construction - Other		0	0	0	0	0	0	0	0	0
Equipment		0	0	0	0	0	0	0	0	0
Computer		0	0	0	0	0	0	0	0	0
Furniture		0	0	0	0	0	0	0	0	0
Information		0	0	0	0	0	0	0	0	0
Maintenance		0	0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0	0
Signs and Signs		0	0	0	0	0	0	0	0	0
Sewer		0	0	0	0	0	0	0	0	0
Transport		0	0	0	0	0	0	0	0	0
<b>Total Capital Expenditure - 2015-2017</b>	3	0	0	0	0	0	0	0	0	0
<b>OPERATING EXPENSES - SUMMARY - 2015-2017</b>	4	-	-	-	-	-	-	-	-	-
Construction - Transportation		-	15	20	5,825	6,315	6,315	1,174	53	55
Construction - Streets		-	87	97	3,554	1,857	1,857	7,320	3,613	3,805
Construction - Water		0	151	134	20,117	11,542	11,542	600	633	657
Construction - Sewer		-	71	355	6,954	6,505	6,505	6,944	335	353
Construction - Other		-	-	-	2,757	1,357	1,357	3,257	455	455
Equipment		0	550	0	25,250	25,250	25,250	25,250	25,250	25,250
Computer		-	3	0	3,045	4,055	4,055	2,514	14	15
Furniture		-	-	-	-	-	-	-	-	-
Information		-	-	-	-	-	-	-	-	-
Maintenance		-	88	34	730	553	553	2,755	294	3,057
Other		-	-	-	-	-	-	-	-	-
Signs and Signs		-	-	-	-	-	-	-	-	-
Sewer		-	-	-	-	-	-	-	-	-
Transport		-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses - 2015-2017</b>	5	0	267	559	55,250	55,250	55,250	55,250	55,250	55,250
<b>EXPENSES - 2015-2017</b>										
Construction - Transportation		0	0	0	0	0	0	0	0	0
Construction - Streets		0	0	0	0	0	0	0	0	0
Construction - Water		0	0	0	0	0	0	0	0	0
Construction - Sewer		0	0	0	0					

FS161 Letsemeng - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		10,211	10,211	10,211	10,211	10,211	10,211	10,211	14,183	14,383
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	243	243	243	243	243	243	243	-	-
Other water supply (at least min.service level)	4	788	788	788	788	788	788	788	200	-
<i>Minimum Service Level and Above sub-total</i>		11,242	11,242	11,242	11,242	11,242	11,242	11,242	14,383	14,383
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	11,242	11,242	11,242	11,242	11,242	11,242	11,242	14,383	14,383
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		8,858	8,858	8,858	8,858	8,858	8,858	8,858	13,202	14,383
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		2,181	2,181	2,181	2,181	2,181	2,181	2,181	1,181	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		11,039	11,039	11,039	11,039	11,039	11,039	11,039	14,383	14,383
Bucket toilet		203	203	203	203	203	203	203	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		203	203	203	203	203	203	203	-	-
<b>Total number of households</b>	5	11,242	11,242	11,242	11,242	11,242	11,242	11,242	14,383	14,383
<b>Energy:</b>										
Electricity (at least min.service level)		3,833	3,833	3,833	3,833	3,833	3,833	3,833	6,933	6,933
Electricity - prepaid (min.service level)		7,409	7,409	7,409	7,409	7,409	7,409	7,409	7,450	7,450
<i>Minimum Service Level and Above sub-total</i>		11,242	11,242	11,242	11,242	11,242	11,242	11,242	14,383	14,383
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	11,242	11,242	11,242	11,242	11,242	11,242	11,242	14,383	14,383
<b>Refuse:</b>										
Removed at least once a week		9,358	9,358	9,358	9,358	9,358	9,358	9,358	13,383	14,383
<i>Minimum Service Level and Above sub-total</i>		9,358	9,358	9,358	9,358	9,358	9,358	9,358	13,383	14,383
Removed less frequently than once a week		1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,000	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		17	17	17	17	17	17	17	-	-
No rubbish disposal		55	55	55	55	55	55	55	-	-
<i>Below Minimum Service Level sub-total</i>		1,884	1,884	1,884	1,884	1,884	1,884	1,884	1,000	-
<b>Total number of households</b>	5	11,242	11,242	11,242	11,242	11,242	11,242	11,242	14,383	14,383
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		2,500	2,500	2,500	2,503	3,850	3,850	6,053	6,500	6,500
Sanitation (free minimum level service)		2,500	2,500	2,500	2,503	3,850	3,850	6,053	6,500	6,500
Electricity/other energy (50kwh per household per month)		2,500	2,500	2,500	2,503	3,850	3,850	6,053	6,500	6,500
Refuse (removed at least once a week)		2,500	2,500	2,500	2,503	3,850	3,850	6,053	6,500	6,500
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		3,920	3,920	3,920	3,920	3,920	3,920	4,170	4,391	6,806
Sanitation (free sanitation service)		7,090	7,090	7,090	7,090	7,090	7,090	7,543	11,541	17,888
Electricity/other energy (50kwh per household per month)		2,663	2,663	2,663	2,663	2,663	2,663	2,833	4,334	6,718
Refuse (removed once a week)		6,763	6,763	6,763	6,763	6,763	6,763	7,195	11,009	17,063
<b>Total cost of FBS provided (minimum social package)</b>		20,436	20,436	20,436	20,436	20,436	20,436	21,741	31,274	48,475
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		45,000	45,000	45,000	45,000	45,000	45,000	45,000	70,000	75,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		90	92	95	97	97	97	97	102	107
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		197	197	197	197	197	197	196,680	300,920	466,427
Property rates (other exemptions, reductions and rebates)		98,010	98,010	98,010	98,010	98,010	98,010	98,010	149,955	232,431
Water		462	462	462	462	462	462	462	706	1,094
Sanitation		211	211	211	211	211	211	211	323	500
Electricity/other energy		77	77	77	77	77	77	77	323	500
Refuse		204	204	204	204	204	204	204	118	183
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of free services provided (total social package)</b>	6	99,160	99,160	99,160	99,160	99,160	99,160	295,643	452,345	701,134

## **PART 2**

### **2.1. BUDGET PROCESS**

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014 a time schedule that sets out the process to revise the IDP and prepare the annual budget.

The Mayor tabled the required IDP process plan and budget time schedule in line with the applicable legislation. However, adherence to these plans was not achieved as the processes were not undertaken exactly at the dates that were indicated in the plans. There was also a delay in establishment of Budget Steering Committee which might have had an impact in effective compilation of the budget.

The community and other stakeholders were consulted during the review of Integrated Development Plan which informed this annual budget. Further consultation will take place immediately after the annual budget and revised Integrated Development Plan have been tabled to Council. These consultations are expected to take place between April 2015 and May 2015. Plans are in place for Council to consider approval of the IDP and annual budget at least 30 days before the start of a new financial year, as required by the Municipal Finance Management Act.

### **2.2. Alignment of the Annual Budget with the Integrated Development Plan**

The municipality has improved in terms of aligning its integrated development plan; annual budget and service delivery & budget implementation plan.

Provincial Treasury assessed Letsemeng Municipality MTREF A schedule through budgeted bilateral on 23 April 2015 and 21 May 2015, that was submitted and made recommendations and improvement and subsequently the inputs were incorporated to improve the document for it to be more credible or funded.

### **2.3. Measurable performance objectives**

Performance Management is a system intended to manage and monitor service delivery progress against the predetermined strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed a performance management system (in the process of implementation) of which system is constantly refined as the integrated planning process unfolds. The measurable performance objectives will be included in the service delivery and budget implementation plan when it is submitted to the Council for approval.

## 2.4. Overview of the Budget-Related Policies

The Municipal Budget and Reporting Regulations promulgated under the Municipal Finance Management Act 52 of 2003, prescribe the budget-related policies that must be approved together with the budget related policies below:

### 2.4.1 Credit Control and Debt Collection Policy

NERSA visited our municipality and advised us as part of collecting debt blocking of prepaid electricity should reflect in our policy and also pledge should be signed by defaulting customers to settle the debt within 12 month.

There has been an improvement in terms of the registration process of Indigent application during the beginning of the 2014-15 financial year. A report is submitted, together with the quarterly report required in terms of the MFMA, where council is informed about the number of indigents that were registered at specific point in time.

Council is encouraging community to annually update their indigent status.

### 2.4.2 Provision for Bad Debt and Write Off Policy.

Our debtors' book records show that the municipality is being owed over 61 million with household being the biggest contributor of over 30 million. While it is of utmost importance for Council to recover the debts and measures and internal controls need to be effective i.e. Revenue Enhancement Strategy, there is also a Social dilemma to consider as majority of Letsemeng are grant dependants.

A committee need to be instituted to consider the debt and after all processes have been followed it advised Council accordingly to write off certain debts in order to reduce our debtors' book because probabilities are high that a certain portion might not be recovered at all. A committee may consider a Debt Incentive Scheme for Letsemeng Local Municipality to be effected as follows:

<b>Group of Debtors</b>	<b>Method of Debt Incentive Scheme – Arrangement Basis</b>	<b>Method of Debt Incentive Scheme – Cash Basis</b>
Residential Customers	For all residents a discount of 35% will be given with respect to all debt older than a 1 year. All debt older than 3 years will also be written off.	For all residents a discount of 50% will be given with respect to all debt older than a 1 year. All debt older than 3 years will also be written off.
Schools – Section 21 schools only	For all section 21 schools, a discount of R1 will be given for every R1 owed by schools; therefore a 50% discount will be given for all debt older than 1 year. All debt older than 3 years will	For all section 21 schools, a discount of 25% will be given with respect to debt older than 1 year. All debt older than 3 years will also be written off.

	also be written off.	
Churches and other NGO's (Not-for-profit entities)	<p>The municipality will forego interest when account is settled less than 1 year.</p> <p>A discount of 50% will be given with respect to all debt older than 1 year. All debt older than 3 years will also be written off.</p>	<p>The municipality will forego interest when account is settled less than 1 year.</p> <p>A discount of 30% will be given with respect to all debt older than 1 year. All debt older than 3 years will also be written off.</p>
Businesses	The status quo will continue for business therefore interest will be forgone for all accounts settled in full.	Arrangement will only be allowed if 40% payment is presented upfront on the total outstanding debt.

All indigent's customers who meet the requirement and qualify the debt will be written off 100%.

### **2.4.3 Virement Policy**

These policies was reviewed and aimed at guiding the municipality in terms of compiling a credible and funded budget as required by the MFMA and also guide the municipality in terms of shifting of funds during the financial year. In addition to these policies, the mid-year budget assessment is used to guide and inform the mid-year review and adjustment budget process.

### **2.4.4 Supply Chain Management Policy**

The review of this policy was made in line with Supply chain model. Establishment of Sec 32 Committee is vital for effective reporting on the expenditure incurred under Sec 32 of MFMA.

### **2.4.5 Cash Management and Investment Policy**

The cash management and investment policy was reviewed. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

### **2.4.6 Tariff Policies**

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. NERSA has approved the Electricity tariffs of Letsemeng for 15/16 Financial Year. Please refer to the Annexure of Tariff List.

#### **2.4.7 Property Rates Policies**

The municipality's property rates policies provide a broad framework within which the Council can determine fair, transparent and affordable charges relating to market value of Property Rates that also promote sustainable service delivery. The proposal is that threshold of first R15 000 is exempt on property rates remain unchanged. The other proposal is that residential properties that are exempt of value of R45 000 or less be increased to R70 000 which is equivalent to building of RDP house.

#### **2.4.8. Indigent Support Policy**

The recommendation is that the threshold be increased to a current value of R1450 \* 2 i.e. R2 900 pensioners combined or the rand value.

#### **2.4.9. Budget Policy**

To set out the budgeting principles which the municipality will follow in preparing each annual budget, as well as to secure sound and sustainable management of budgeting and reporting practices by ensuring compliance with norms and standards and other requirements as established by the National Treasury.

#### **2.4.10. Funding and Reserves policy**

The funding of operating and capital budgets is done on an annual basis for a three year horizon. The budget must be balanced from both accounting perspective as well as a cash perspective.

The Council set as a long term objective of a financially sustainable municipality with acceptable levels of service delivery to the community. Therefore, this policy aims to set standards and guidelines towards ensuring financial viability and sustainability over both the short-term and long-term and includes funding as well as reserves requirements.

#### **2.4.11. Subsistence & Travel Allowance Policy**

The policy is annually reviewed and it is aligned to the benefits that will assist an employee on tax purposes, also the CPI has been taken into consideration as per Circular 74 and 75 respectively.

### **2.5. Overview of the budget assumptions**

Budgets are prepared in an environment of uncertainty and assumptions need to be made about internal and external factors that could impact on the budget during the course of the financial year. In compiling the 2015-16 Annual Budget, the following key issues and assumptions were taken into consideration and modelled into the budget planning process:

- (a) Economic climate and poverty levels within the municipality will remain the same / constant for major part of the financial year given the limited economic activities with the vicinity;

- (b) That the revenue collection will not increase / improve by more than 15% from the 2014-15 financial year;
- (c) Cash flow projections will be strictly maintained to ensure the municipality's ability to meet its financial obligations;
- (d) The budget is prepared in the assumption that no allocations as per 2015 Annual Division of Revenue Act will be withheld / offset / paid back to the National Revenue Fund.
- (e) Operational costs will be maintained at current levels or reduced as cost containment measures and where there is material decrease in revenue collection rate, expenditure will have to be reduced at the same proportion;
- (f) Filling of vacant posts was prioritised taking into account the cash flow projections of the municipality.

## 2.6. Overview of the budget funding

The operating budget will be funded from operational grants as well as revenue to be collected from service charges and property rates.

The municipality is expecting an allocation of unconditional grant i.e. Equitable Share of **R49 784 000** for 15/16 financial year. Below please find the table showing funding of indigents for free basic services in respect of the allocation:

Free Basic Services					
	Rate	Household	Total	Months	Annual Charge
Refuse	99.06	6053	599,592.02	12	7,195,104.25
Sanitation	102.61	6053	621,086.22	12	7,453,034.69
Water	57.41	6053	347,490.62	12	4,169,887.49
Electricity	39.00	6053	236,067.00	12	2,832,804.00
					<b>21,650,830.43</b>

The funding for capital budget will be from Municipal Infrastructure Grant, Municipal Water Infrastructure Grant as well as internally generated funds.

The calculation of budgeted property rates in the table below took into consideration exemption of first **R15 000** being exempt of households for property rates and also households less of value **R45 000** are exempt from property rates 100%

**PROPERTY RATES BUDGET SUPPORTING SCHEDULE**

<b>Categories</b>	<b>Total Amount</b>	<b>Calculation</b>
Residential	576,180,143	7,175,171
Business and Industrial	164,891,009	2,241,743
Government	125,784,722	1,907,462
Vacant stands	88,639,128	1,192,648
Farms	1,587,811,414	2,298,675
Small Holdings	164,480,606	1,129,867

**15,945,566**

The anticipation is that Council will collect 85% of the budgeted Property Rates  
Total amount to be collected is = **13,553,731.11**

Other service charges in relation to revenue are stated below and these are assumption of budgeted amount to be billed.

		Refuse Removal			Annual Charge
	Rate	Households	Total	Months	
<b>Residential</b>	86.91	7007	608,978.37	12	7,307,740.44
<b>Business</b>	181.59	79	14,345.61	12	172,147.32
<b>Government</b>	186.14	19	3,536.66	12	42,439.92
<b>Churches</b>	54.74	27	1,477.98	12	17,735.76
			628,338.62		<b>7,540,063.44</b>



Sewerage					
	Rate	Households	Total	Months	Annual Charge
Residential	90.02	7007	630,770.14	12	7,569,241.68
Business	164.24	79	12,974.96	12	155,699.52
Government	164.24	19	3,120.56	12	37,446.72
Churches	54.73	27	1,477.71	12	17,732.52
			648,343.37		7,780,120.44

Water					
	Rate	Households	Total	Months	Annual Charge
Basic Charge	53.24	7007	373,052.68	12	4,476,632.16
Actual Collection			2,386,008.00	9	3,906,744.48
Pre-paid consumption	9.42	258	2,430.36	12	29,164.32
					8,412,540.96

ELECTRICITY					
	Rate	Households	Total	Months	Annual Charge
Basic Charge	78.00	4000	312,000.00	12	3,774,000.00
Basic Charge	98.00	2000	196,000.00	12	2,352,000.00
Basic Charge	135.00	1007	135,945.00	12	1,631,340.00
Actual Collection			11,162,981.00	9	17,833,738.72
					25,591,078.72

## 2.7 Expenditure on allocations and grant programmes

It is the intention of the municipality to spend all of its grant allocations within the current year according to the conditions of such allocations / grants. Performance review will be done during the mid-year budget assessment and where under spending is foreseeable; the necessary procedure will be followed to ensure that spending is done 100%.

### **DORA GRANTS ALLOCATIONS FOR LETSEMENG MUNICIPALITY FOR 15/16 MTREF**

<b>DORA GRANT</b>	<b>ALLOCATED AMOUNT</b>
Equitable Share	R49 784 000
Municipal Water Infrastructure Grant	R45 373 000
Municipal Infrastructure Grant	R16 978 000
Expanded Public Works Programme	R1 000 000
Financial Management Grant	R1 800 000
Municipal Systems Improvement Grant	R980 000
Integrated National Electrification Programme (Eskom) Grant	R146 000

All the grants allocated are conditional i.e. have to meet an obligation except Equitable Share grant which is unconditional.

## 2.8. Councillor and board members allowances and employee benefits

The Municipal System Act, section 66(1) requires the Municipal Manager to approve a staff establishment for the municipality within a policy framework determined by the municipal council and subject to any applicable legislation. The act further requires the Municipal Manager to provide a job description for each post on the staff establishment and to attach to those posts the remuneration and other conditions of service as may be determined in accordance with any applicable labour legislation.

The Senior Managers, in consultation and with concurrence of the Municipal Manager have reviewed the structure of their respective departments. Most of the critical posts that were identified during the 2014-15 financial year were filled during the current financial year.

- (a) Employee costs will increase from **R36 478 000** (2014-15 adjustment budget) to **R 40 667 000**; the CPI increase of 6% was taken into consideration.

- (b) Councillor allowances will decrease from **R3 519 000** (2014-15 adjustment budget) to **R3 265 000** Kindly note determination of upper limits for Councillors was used as per basis to budget for the allowances and the audited AFS shows an actual figure of **R3 096 157** i.e. the previous budget amount was overstated.

The budgeted salaries have increased by over R6 Million about over 21% compared to actuals in 30 June 2014. Of a concern is the fact the revenue did not increase with the same rate which brings a serious threat in terms of the financial sustainability of the municipality. The National Treasury norm of 33% also needs to be closely monitored as currently we are at 34%.

## 2.9. Monthly targets of revenue, expenditure and cash flow

The municipality has over the years been in a position to bill all its budgeted revenue.

This meant that the municipality had to prioritise its spending as the spending is informed by availability of cash. Therefore, the spending on operational expenditure has been marginally less than anticipated due to cash flow constraints. Nevertheless, the municipality has been able to meet its financial obligations as they become due, during the course of the 2014-15.

Below please find the table that shows actual revenue collected against the expenditure for the 3 quarters of Financial Year.

Operating revenue and expenditure as at 31 March 2015										
Detail	Month 1 July	Month 2 Aug	Month 3 Sept	Month 4 Oct	Month 5 Nov	Month 6 Dec	Month 7 Jan	Month 8 Feb	Month 9 Mar	TOTAL
<b>Cash Receipts by Source</b>										
Property rates	332,179	458,824	409,202	931,549	648,959	1,461,998	716,981	468,947	660,742	6,089,381
Service charges - electricity revenue	1,343,992	1,268,887	1,318,430	1,168,065	1,299,232	865,650	1,424,471	1,377,220	1,097,034	11,162,981
Service charges - water revenue	232,977	236,585	288,836	246,637	322,179	193,075	293,023	333,200	239,490	2,386,002
Service charges - sanitation revenue	216,333	251,707	192,260	207,674	257,725	210,663	211,111	222,168	215,723	1,985,364
Service charges - refuse revenue	200,738	175,281	179,429	172,685	213,403	146,860	191,861	206,868	176,222	1,663,347
Rental of facilities and equipment	5,353	2,297	22,436	22,779	12,372	13,214	23,494	29,052	22,437	153,434
Interest earned - external investments	0	13,736	6,913	0	0	0	0	0	0	20,649
Fines	4,950	2,000	7,550	1,100	2,920	2,250	2,000	1,400	3,300	27,470
Licences and permits	186	0	0	186	2,365	112	123	0	0	2,972
Transfer receipts - operational & capital	25,542,000	1,338,000	0	0	10,132,000	15,992,000	303,000	0	15,592,000	68,899,000
Other revenue	56,819	68,569	334,963	52,403	82,900	23,283	40,786	108,277	42,998	810,998
<b>Cash Receipts by Source</b>	<b>27,935,527</b>	<b>3,815,886</b>	<b>2,760,019</b>	<b>2,803,078</b>	<b>2,803,078</b>	<b>18,909,105</b>	<b>3,206,850</b>	<b>2,747,132</b>	<b>18,049,946</b>	<b>93,201,598</b>
<b>Cash Payments by Type</b>										
Employee related costs	2,969,227	2,887,524	3,293,624	2,916,976	2,969,181	2,984,936	3,128,048	3,381,585	3,197,112	27,728,213
Remuneration of councillors	258,407	258,407	258,441	258,441	236,118	256,471	234,370	234,370	234,370	2,229,395
Interest paid	40	1,464	90	0	17,287	2,880	2,873	13,978	1,418	40,030
Bulk purchases - Electricity	0	2,502,728	2,416,785	1,556,429	1,228,993		1,224,742	1,282,963	1,254,300	11,466,940
Bulk purchases - Water & Sewer	112,353	1,420,791	159,851	105,575	0	352,267	791,025	262,931	484,853	3,689,646
Contracted services	566,572	1,022,486	150,289	411,609	315,272	393,332	194,493	415,740	261,031	3,730,824
General expenses	601,409	1,094,296	1,576,771	1,544,971	741,197	2,283,848	1,342,329	1,081,480	2,880,459	13,146,760
Repairs and maintenance	116,702	573,642	442,800	223,391	259,455	259,455	1,207,863	1,308,529	225,372	4,617,209
Capital assets	203,251	730,993	661,880	1,120,647	157,467	424,769	991,933	1,119,539	2,669,240	8,079,719
<b>Total Cash Payments by Type</b>	<b>4,827,961</b>	<b>10,492,331</b>	<b>8,960,531</b>	<b>8,138,039</b>	<b>5,924,970</b>	<b>6,957,958</b>	<b>9,117,676</b>	<b>9,101,115</b>	<b>11,208,155</b>	<b>74,728,736</b>
Total revenue year to date	93,201,598									
Total expenditure year to date	-74,728,736									
<b>surplus</b>	<b>18,472,862</b>									

Although the municipality has been operating with a positive cash flow balance for over two financial years, the revenue base of the municipality has decreased drastically. This meant that the municipality had very little to contribute towards capital expenditure or service delivery related obligations that are affecting our daily operations to attend to infrastructure assets. To date, the municipality contributes only 15% towards capital budget and depend heavily on grants and subsidies from both national and provincial government, for its operational budget.

## **2.10. Annual budgets and service delivery budget and implementation plan: internal departments**

The departmental service delivery implementation plan are at a draft stage and will be completed after adoption of the annual budget in order to form the high level of the municipal service delivery and budget implementation plan to be approved by the mayor, 28 days after the annual budget has been approved.

## **2.12. Contracts having future budgetary implications**

The municipality does not intend to enter into contracts that have future budgetary implications. In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation or Adjudication committees must obtain formal financial comments from the Budget and Treasury Office.

## **2.13. Capital expenditure details**

The total capital expenditure budget of the municipality is **R66 807 000**.

Municipal Water Infrastructure Grant is allocated at **R45 373 000** although the allocation is for Letsemeng the administration process is held by Department of Water Affairs & Sanitation and Sedibeng Water is an implementing agent with regards to projects relating to the funding.

Municipality is also allocated **R1 000 000** in relation to Expanded Public Works Programme.

The other balance on the Municipal Infrastructure Grant amounting to **R16 978 000** will be funding the Project Management Unit related costs. Below are planned projects for the coming financial year:

- Project Management Unit **R848 900**
- Luckhoff: Upgrading of Sports Facility (MIS:209539) **R90 554.48**
- Koffiefontein: Upgrading of existing Waste Disposal Site (MIS:207907)  
**R2 833 393**
- Petrusburg/Bolokanang: Construction of paved road (0.8KM) (MIS 217348)  
**R110 010**

- Luckhoff: Upgrading of waste water treatment works: (MIS: 221659) **R276 435**
- Koffiefontein/Ditlhake: Upgrading of access road and storm water (0,65km) (MIS:224777) **R165 000**
- Jacobsdal: Upgrading of waste water treatment works (Phase 1) **R4 354 206**
- Koffiefontein/Diaamamndhoogte: New multi purpose sports and Upgrading of recreational swimming pool **R2 410 000**
- Letsemeng: Provision of 10 High-Mast Lights **R3 894 500**
- Petrusburg/Bolokanang: Upgrading of internal sewer network **R1 995 000**

The other funding is from internal funds of **R4 310 000** as indicated in Table A5.

## **2.14. Legislation compliance**

There has been substantial improvement in terms of compliance. Reporting to National Treasury in electronic format (Appendix B returns) was fully complied with on a monthly basis where there have been challenges of compliance; such challenges were reported to Provincial Treasury.

### **2.14.1. In year reporting**

Section 71 reporting to the Mayor will be submitted in Schedule C of the MBRR and plans are in place to update the website and published financial performance on the municipality's website. It is the intention of the municipality (Councillors and Management) to move beyond compliance but rather focus on the quality of reports that are required in terms of various legislations.

### **2.14.2. Internship programme**

The municipality is participating in the Municipal Financial Management Internship programme funded by Finance Management Grant and has employed five interns undergoing training in various divisions of the Budget and Treasury Office.

The municipality is expected to receive **R1 800 000** of Financial Management Grant.

### **2.14.3. Budget and Treasury Office**

The Budget and Treasury Office has been established in accordance with the MFMA.

### **2.14.4. Shared Audit & Performance Committee**

A Shared Audit and Performance Committee have been established, which is a shared service with the Xhariep District Municipality. The committee is fully functional and has been having their meetings as required by law and submitting reports to Council.

#### **2.14.5 Service Delivery Budget and Implementation Plan**

The detailed SDBIP document is at a draft stage and will be finalised after approval of the 2015-16 Annual Budget in June 2015.

#### **2.15. Other supporting documents**

The documents mentioned below are attached as annexures to the annual budget:

- (a) Tariff list
- (b) Budget Related policies.

#### **2.16. Municipal Manager's quality certificate**

The Municipal Manager's quality certificate as required by the Municipal Budget and Reporting Regulations is attached in the next page.

# LETSEMENG LOCAL MUNICIPALITY

Privaatsak / Private Bag X3  
KOFFIEFONTEIN  
9986



FOON / PHONE  
(053) 205 9200  
FAKS / FAX  
(053) 205 0144

## OFFICE OF THE MUNICIPAL MANAGER

---

To whom it may concern

Re: Quality Certificate for 2015-16 Final Annual Budget

I, Bafunani Mnguni, the Municipal Manager of Letsemeng Local Municipality (FS161), hereby certify that the final annual budget for the 2015-16 financial years has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Name: Mr Bafunani Mnguni

---

Municipality: Letsemeng Local Municipality

---

Signature:

---

Date:

---

LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2015/2016					
	Description	2014/2015		% Inc	2015/2016
		R			R
<b>1.0</b>	<b>Property Tax</b>				
	Category	2014/2015	Rebate		2015/2016
	Residential	0.0117481		6%	0.0124530
	Business, Industrial	0.0128258		6%	0.0135953
	Government	0.0143061		6%	0.0151645
	Vacant Stands	0.0126935		6%	0.0134551
	Churches	0.000000			0.000000
	NGO, Creche, PBO Structured and Registered	0.000000			0.000000
	Municipality	0.000000			0.000000
	Small Holdings	0.0064805		6%	0.0068693
	Farms	0.0014477		6%	0.0015346
	The above tariffs must be read in conjunction with the municipality's comprehensive Property Tax Policy				
	Property Tax is calculated on the total improvement value (Land & Improvements)				



LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2015/2016					
	Description	2014/2015		% Inc	2015/2016
		R			R
	The first R 15 000 of the total improvement value of residential properties is exempted from property tax.				
	The first R 70 000 of the total improvement, value of residential property of indigent owners is exempted from property tax.				
	Property tax is payable monthly and if not paid interest at a rate as determined from time to time will be levied on all arrear amounts.				
<b>2.0</b>	<b>Administration</b>				
<b>2.1</b>	<b>Photocopies</b>				
2.2	Tax Certificates				
	Per Certificate	82.84		15%	95.27
2.3	Valuation Certificate				
	Per Certificate	47.31		5%	49.68
2.4	Building Plan Fees				
	Per Application	125.37		10%	192.89
2.5	Posters in municipal open spaces or against posts				
	Deposit: per poster for consumers or political parties	12.27		10%	13.50
	If the political party doesnt remove the posters after 7 days has lapsed since the gathering or meeting had taken place, the above deposit is forfeited.				

**LETSEMENG LOCAL MUNICIPALITY**

**TARIFFS 2015/2016**

	Description	2014/2015		% Inc	2015/2016
		R			R
3.	<b>Cemeteries, Parks &amp; Sport Grounds</b>				
3.1	Cemetery Fees				
	Site Fee (Digging of grave included)	566.36		6.2%	623
	Site Fee (Digging of grave excluded)	65.90		10%	72.49
	Pauper burials				
	Must qualify as an indigent according to the indigent policy				
	Must be an approved indigent				
	Must already receive a financial subsidy				
	Must be an permanent resident at the address as approved for indigent subsidy				
	The deceased must be on the application form of the approved application form for indigent subsidy				
	Pauper funerals will be subsidised as follows:				
	Adults	1 593.98		10%	1753.38
	Children	1 026.64		10%	1129.30
	Funeral will be allowed to take place over week ends and also where the applicants will cover the grave themselves.				
	If a funeral is to take place on a Monday then arrangements must be made with the office on the previous Friday				
3.2	Sport Grounds				

**LETSEMENG LOCAL MUNICIPALITY**

**TARIFFS 2015/2016**

	Description	2014/2015		% Inc	2015/2016
		R			R
	That all sport clubs received the following subsidies on the condition that the Municipal Manager can discuss any problems that he/she experiences regarding the usage of the subsidy by a sport club directly with the relevant sport club on behalf of the Council				
	The usage of water, sewerage and refuse removal on condition that they maintain the club and grounds				
	R 593.00 per month which amount includes the maintenance of the facilities and free municipal services				
	Yachting Club				
	Free municipal services				
	Sport Committees				
	A subsidy of R 1 500.00 per month for the maintenance of sport facilities as per contract				
3.3	Caravan Park Fees				
	Camping Fees per day	230.61		5%	242.14
4	Properties				
	Pound Master: Works Foreman in each Town				
	Tariffs within the municipal area				

LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2015/2016					
	Description	2014/2015		% Inc	2015/2016
		R			R
4.1	Driving of livestock within the municipal area				
4.1.1	In the case of livestock (excluding tame ostriches) whether one or more to be driven to the pound: per kilometre	4.90		6%	4.90
	with the understanding that if,				
4.1.1.1	A herd consists of more than 50 small livestock or 20 large livestock: per kilometre	4.90		6%	4.90
4.1.1.2	Small livestock, donkeys, horses and mules: the total amount payable will not exceeds the amount calculated per kilometre	4.90		6%	4.90
4.1.1.3	Tamed ostriches: Per ostrich per kilometre	4.90		6%	4.90
4.1.1.4	Pigs: per pig per kilometre	4.90		6%	4.90
4.2	Pound Fees				
4.2.1	Pound fees per animal that is impounded within the municipal area per day.				
	Large Livestock	122.92		0%	122.92
	Small Livestock	73.77		0%	73.77
	Horses, Mules and Donkeys	122.92		0%	

**LETSEMENG LOCAL MUNICIPALITY**

**TARIFFS 2015/2016**

	Description	2014/2015		% Inc	2015/2016
		R			R
					122.92
	Pigs	73.77		0%	73.77
4.3	Trespassing Fees				
	Large Livestock (each)	9.82		0%	9.82
	Small Livestock (each)	4.91		0%	4.91
4.4	Grazing Fees / Caring Fees				
	Large Livestock (each per month)	29.52		0%	29.52
	Small Livestock (each per month)	16.92		0%	16.92
4.5	Definitions				
	Large livestock is horses, donkeys, mules, cattle, pigs and ostriches				
	Small livestock is sheep and goats				
4.6	Advertisements: Pounds				
	Advertising cost is cost occurred for the advertisement of the selling of stock impounded and which is collected before it is sold.				

LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2015/2016					
	Description	2014/2015		% Inc	2015/2016
		R			R
	The advertisement period for the selling of stock is 21 days for all stock except donkeys, pigs and mules which is as soon as possible				
4.7	Commonage fees per Ha, per year	19.59		150%	49.00
5	<b>Licenses</b>				
5.1	Dog Licenses				
5.1.1	Wolfhonde & Windhonde				
5.1.1.1	For the first dog (Sterilised or not)	36.87		0%	36.87
5.1.1.2	For each additional dog	49.12		0%	49.12
5.1.2	Other dogs				
5.1.2.1	Sterilised	24.51		0%	24.51
	Not Sterilised (Male)	35.10		0%	35.10
5.1.2.2	Not Sterilised (Female)	36.87		0%	36.87
5.1.2.3	For each additional dog	49.13		0%	49.13
5.1.3	Fines				
	On each full month since license fee became due: 2.5%				

LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2015/2016					
	Description	2014/2015		% Inc	2015/2016
		R			R
5.2	Business Licenses				
	Application Fee	66.33		10%	72.96
	Businesses: Food	184.32		0%	184.32
	Hawkers per day at the approved sites (Works Foreman will collect the fees)	25.49		0%	25.49
	Hawkers from other municipal areas per day	112.68		0%	112.68
	Flats for the aged	180		94.4%	350
6.0	Public Works				
	Sundry Tariffs				
6.1	Services Rendered				
6.1.1	Post level 5: Artisan - calculated from the time he/she left his/her works place until such time he/she returns to his/her works place. (per hour)	258.06		5%	270.96
	An additional allowance per day is payable if he/she must work outside the municipal area	54.59		10%	60.05
6.1.2	Post Level 11 16: Labourers - per day per employee	376.45		10%	414.10
	An additional allowance per day is payable if he/she must work outside the municipal area	19.59		6%	20.77
6.1.3	Compressor: Per actual hours worked as per hour meter (including labour & petrol)	208.38		6%	220.88

LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2015/2016					
	Description	2014/2015		% Inc	2015/2016
		R			R
6.1.4	Vacuum Tank and Tractor				
	Per hour and	144.62		10%	159.08
	Per kilometre	5.83		10%	6.41
	Labour supplied by municipality and is inclusive				
	Vacuum Tanker				
	Per hour and	131.48		10%	144.63
	Per kilometre	46.79		6%	49.60
6.1.5	Light Vehicles: per kilometre	3.88		6%	4.11
6.1.6	Graders				
	Per actual hour worked (diesel included)	468.94		6%	497.08
	Petra Diamonds Mine: Petrol and labour				
6.1.7	Excavator				
	Per actual hour worked (diesel included)	417.50		6%	442.55
6.1.8	After Hour Calls: per call if less than 30 minutes	65.12		6%	69.03
6.1.9	Bulldozer				
	Per actual hour worked (diesel included)	651.26		6%	690.34
6.1.10	Tipper Trucks				
	Per hour and	130.15		6%	137.95
	Per kilometre	13.03		6%	13.81
6.1.11	Flat Base Trucks per kilometre	16.95		6%	17.97
6.1.12	Tractors per hour	78.12		6%	82.81
	Deposit on tractor	585.06		6%	620.16
6.1.13	Traveling cost of equipment to be paid by user.				



LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2015/2016					
	Description	2014/2015		% Inc	2015/2016
		R			R
6.1.14	TLB (Back Hoe)				
	Per actual hour worked (diesel included)	463.95		10%	510.35
6.1.15	Small trailer per day	194.86		10%	214.35
6.1.16	Rental of Bo-Mac per day or part thereof	644.22		10%	708.64
6.2	Road closures per day or part thereof	48.31		10%	53.14
7	<b>Refuse Removal</b>				
7.1	Refuse Removal Fees				
	Per Month				
	Households	81.99		6%	86.91
	Flats/Town Houses	81.99		6%	86.91
	Businesses / Offices	165.08		10%	181.59
	Abattoir	696.81		10%	766.49
	Wine Cellar	248.88		10%	273.77
	Schools and Boarding Schools	169.22		10%	186.14
	Spoornet	223.98		10%	246.38
	Crèches	84.92		10%	93.41
	Churches	49.76		10%	54.74
	Households - Combined with Business	102.49		10%	112.74
	Other	149.31		10%	164.24
	Empty Erven – Availability	49.76		10%	54.74
	Refuse bags	3.84		10%	4.22

LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2015/2016					
	Description	2014/2015		% Inc	2015/2016
		R			R
7.1.5	Bulk refuse and/or building rubble will be removed per load. (Load - 4m3)	178.88		10%	196.77
7.1.6	Refuse Removals will be done as per newsletter				
7.2	Cleaning of empty sites				
	Sites smaller than 600m2	559.03		10%	614.93
	Sites larger than 600m2 but smaller than 1 500m2	872.07		10%	959.28
7.3	Sewerage Tariffs				
	Per Month				
	Households(DOMESTIC)	84.92		6%	90.01
	Flats/Town Houses	84.92		6%	90.01
	Businesses / Offices	149.31		10%	164.24
	Abattoir	6 022.48		10%	6 624.73
	Spoornet	223.98		10%	246.38
	Crèches	83.94		10%	92.33
	Churches	49.76		10%	54.73
	Households - Combined with Business	87.85		10%	96.64
	Old Age Flats	76.75		10%	84.43
	Garages	186.66		10%	205.32
	Others	149.31		10%	164.24
	Empty Erven – Availability	49.76		10%	54.74

**LETSEMENG LOCAL MUNICIPALITY**

**TARIFFS 2015/2016**

	Description	2014/2015		% Inc	2015/2016
		R			R
	Buckets	-		6%	-
	Note: Sewer blockages at abattoirs-each	1 118.00		10%	1 229.80
	Residential sewer blockages				
	Per household sharing manhole	58.56	-	10%	64.42
	Per household not sharing manhole	234.26	-	10%	257.69
	Rental of suction pump per hour (including petrol)	146.41		10%	161.05
	Sewerage connection	878.46		10%	966.31
7.4	Town Halls and Offices				
	Town Halls: Jacobsdal, Koffiefontein, Luckhoff & Petrusburg - rent and deposits				
7.4.1	Weddings and Entertainment				
	MPCC HALL				
	Residents: rent	800		25%	1000
	Residents: deposit	1000		20%	1200
	Non- Residents: rent	1200		33%	1600
	Non- Residents: deposit	1400		29%	1800
	Residents: rent	467.31		10%	514.04
	Residents: deposit	1 168.25		10%	1 285.08
	Non- Residents: rent	934.62		10%	1 028.08

LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2015/2016					
	Description	2014/2015		% Inc	2015/2016
		R			R
	Non- Residents: deposit	1 635.56		10%	1 799.12
7.4.2	Charity, Funerals, Pre- Schools and Churches				
	MPCC HALL				
	Residents: rent	800		12.5%	900
	Residents: deposit	1000		10%	1100
	Non- Residents: rent	1000		10%	1100
	Non- Residents: deposit	1100		9%	1200
	Residents: rent	140.16		10%	154.18
	Non- Residents: rent	350.47		10%	385.52
	Deposit	467.31		10%	514.04
7.7.1	Political Meetings				
	Residents: rent	57.93		15%	66.62
	Non- Residents: rent	57.93		15%	66.62
	Tables and chairs are free of charge on condition that it can only be used within municipal properties	-			
	Rental charge is based on daily basis.				
7.7.7	Application for parties, church services and other function not mentioned above will be submitted to an ad-hoc committee existing out of the Mayor or Chairperson of the Finance Committee, a Councillor and the Municipal Manager for consideration and if approved the applicable fee				
8	<b>Electricity</b>				

LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2015/2016					
	Description	2014/2015		% Inc	2015/2016
		R			R
8.1	Electricity Service				
	Tariff 1				
8.1.1	Households, Flats and Houses (Conventional Meters)				
8.1.1.1	A fixed service levy per consumption month or part thereof plus	157.77			177.02
8.1.1.2	Consumption per kW.h 0 - 50 kWh	0.71		7.5%	0.76
	51 - 350 kWh	0.89		11.5%	0.96
	351 - 600 kWh	1.19		12.2%	1.34
	> 600 kWh	1.43		12.2%	1.61
8.1.2	Pre-paid User Tariff: Residential per kW.h				
	Consumption per kW.h 0 - 50 kWh	0.73		7.5%	0.78
	51 - 350 kWh	0.91		7.5%	0.98
	351 - 600 kWh	1.20		12.2%	1.35
	> 600 kWh	1.43		12.2%	1.61
	Tariff 2				
8.2	Commercial Conventional Low				
8.2.1	A fixed service levy per consumption month or part thereof plus	311.01		6.3%	330.60

**LETSEMENG LOCAL MUNICIPALITY**

**TARIFFS 2015/2016**

	Description	2014/2015		% Inc	2015/2016
		R			R
8.2.2	Consumption per kW.h	1.42		12.2%	1.59
	Pre-paid User Tariff: per kW.h	1.52		12.2%	1.71
	Tariff 3				
	This tariff is applicable on all users whose maximum demand is over 50 KVA in any 30 minute period in a consumption month.				
	Commercial Tariff High				
	A fixed service levy per consumption month or part thereof plus.	3 669.93		12.2%	3901.14
	kW.h consumption per consumption month or part thereof.	116.05		12.2%	123.36
	Tariff 5: Industrial medium				
	Average consumption 59039.55				
	Basic Charge	5 497.76		12.2%	5509.96
	Consumption per kwh: Energy Charge	60.48		12.2%	67.86
	Demand Charge	173		12.2%	194.11
	Municipal				
	Energy charge	133.16		12.2%	149.41
	Tariff 6				
	Empty erven and erven where the electricity supply where taken out.	45.42		10%	49.96
	An amount of R45.42 per month is payable for each erf (except if the erf is part of land belonging to the Government) which is not connected to the electricity network of the municipality and is adjacent to a street or part of a street in which the electricity supply is				

**LETSEMENG LOCAL MUNICIPALITY**

**TARIFFS 2015/2016**

	Description	2014/2015		% Inc	2015/2016
		R			R
	available. This tariff is also applicable where the owner has requested that the electricity supply must be removed				
	Residential Connections per connection	4 589.03		10%	5 047.93
	Other connections per connection	6 709.11		10%	7 380.02
	The installation of a 3 phase meter (pre-paid or conventional). Additional cost per connection	6 118.75		10%	6 730.63
	The change to or installation of a single phase pre-paid meter per connection (additional cost)	1 376.76		10%	1 514.44
	The connection fees of indigents and poor households are subsidised out of the Equitable Share at 100% and 50% respectively				
	Deposits				
	Deposits for all residential and other users are payable according to the Council's Credit Control Policy				
	Increases of deposits will be done within the electricity provision regulations and the credit control policy				
	Indigents will not pay any deposits				
	Poor households will only pay 50% of the relevant deposit				

**LETSEMENG LOCAL MUNICIPALITY**

**TARIFFS 2015/2016**

	Description	2014/2015		% Inc	2015/2016
		R			R
	Reconnections and special meter readings				
	Per application and in cases of late payments	80.51		10%	88.56
	Installation Tests				
	First Test	67.13		10%	73.84
	Per test thereafter	80.51		10%	88.56
	Telephonic Reminders per call	13.45		10%	14.80
	Call outs:				
	The costs will be added to the monthly consumer account if it cannot be paid during the call out				
	During Working Hours:				
	Per Call	76.56		10%	84.22
	Labour per hour	147.62		10%	162.38
	Material for the cost of the consumer				
	After Hours:				
	Per Call	115.50		10%	127.05
	Labour per hour	257.09		10%	282.80
	Material for the cost of the consumer				
	Sundays and Public Holidays				
	Per Call	124.63		10%	137.09
	Labour per hour	342.76		10%	377.04
	Material for the cost of the consumer				



LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2015/2016					
	Description	2014/2015		% Inc	2015/2016
		R			R
	Call outs after hours are only applicable if there is no electricity				
	Petra Diamonds Mine personnel or owners of houses	-			
	Only requests from home owners will receive attention but personnel from Petra Diamonds Mine can through the mines security office request help in the case of an emergency				
	Tampering of meters :				
	Consumers will be charged if proven that there had been tampered with municipal property.				
	Services will be discontinued until full payment has been made				
9	<b>Water</b>				
9.1	Residential				
	0 - 6KL	-			-
	7-30 KL	5.83		10%	6.41
	31-50 KL	8.03		10%	8.83
	>50 KL	8.83		15%	10.15
	Fixed Levy	48.40		10%	53.24

LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2015/2016					
	Description	2014/2015		% Inc	2015/2016
		R			R
9.3	Industries (In Industrial Area)				
	Fixed Levy	150.75		6%	165.83
	Per Kiloliter	8.15		10%	8.97
9.4	Business				
	Fixed Levy: per month			10%	
	Per Kiloliter	48.40		10%	53.24
9.5	Petra Diamonds Mine: Purified Water				
	Fixed Levy: per month	605.25		10%	665.78
	Per Kiloliter	8.02		10%	8.82
9.6	Schools, Chreches and Boarding Schools				
	Fixed Levy: per month	142.45		6%	151
	Per Kiloliter	8.02		6%	8.50
9.7	Municipal Usages				
	Per Kiloliter	6.53		6%	6.92
9.8	Empty Erven (excluding Government Land)				
	Fixed Levy: per month	43.49		6%	46.10
9.9	Canal Water ( Jacobsdal)				
	Levy per hour	243.56		10%	267.92

LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2015/2016					
	Description	2014/2015		% Inc	2015/2016
		R			R
9.10	Pre-paid System				
	Non-residential	6.20		10%	6.82
9.11	Pre-paid System				
	Residential (0-6Kl Free)	8.89		6	9.42
9.12	Water connection	1001.00		6%	1061.06
9.13	Tampering of meters :				
	Consumers will be charged if proven that there had been tampered with municipal property.				
	Services will be discontinued until full payment has been made				
	All the above tariffs excludes VAT				

Kindly adhere to the Budget Tariffs for 2015/2016 Financial Year.

ALL CASHIERS TARRIFS SHOULD BE THE SAME

## LETSEMENG RAAD / COUNCIL



Privaatsak / Private Bag X3

**KOFFIEFONTEIN**

**9986**

**FOON / PHONE**

(053) 205 9200

**FAKS / FAX**

(053) 205 0144

E-mail:letse@mweb.co.za

---

### **SPATIAL PLANNING & LAND USE MANAGEMENT ACT (SPLUMA)**

#### **PROPOSED TARRIFF STRUCTURE 2015/16**

<b>Category 1 Applications</b>		
Application type		Application fee
Township establishment per erf	0-500	R 4 000
	501-1000	R 6 000
	1001 and more	R 7 500
Rezoning		R 2 000
Removal, amendment or suspension of restrictive title conditions		R 1 200
Amendment of general plan		R 2 000
Permanent closure of public place		R 2 000
Consent use		R 1 000
Subdivision		R 1 000
Per additional portion after 5th		R 100
Consolidation		R 1 000
Per additional portion after 5th		R 100
<b>Category 2 Applications</b>		

Application type	Application fee
Subdivision	R 1 000
Per additional portion after 5th	R 100
Consolidation	R 1 000
Per additional portion after 5th	R 100
Consent use	R 1 000
Removal, amendment or suspension of restrictive title conditions	R 1 200
<b>General</b>	
Type	Application fee
Appeal on decision	R 3 000
Zoning certificate	R 80
E-lodgement fee	R 0